RV BUSINESS

SEPTEMBER 2, 1988

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## GM, RVIA Meet on Liability Issue

Announcing their desire to "better serve RV manufacturers and address concerns about product liability exposure," General Motors (GM) Corp. executives called a special meeting in July with RVIA representatives.

According to Jay Ganatra, manager of chassis products for GM's Pontiac, Mich.-based truck and bus operations, the meeting was called out of concern about a number of safety-related issues, such as the recent Ford ambulance chassis recall, the National Highway Traffic Safety Administration (NHTSA) investigation of fuel-spurting problems in Class A motorhomes and reports that federal regulators may call for

*continued on page 11*

**A NEW WAY TO TARGET BUYERS:** Research in "psychographics" offers new insights into RV-consumer psychology and buying patterns. See page 18.

## Ford Seeks 30% Share With 'A' Chassis, Service

Ford Motor Co., Detroit, Mich., officials announced that the company hopes to garner 29% to 37% of the domestic Class A motorhome market with the addition this fall of a new 16,000-pound gross vehicle weight chassis and of a new comprehensive service program, including some emergency road services, for all Ford RV-related products.

"We wouldn't get into the business unless we expected to be a major player with this (16,000-pound) chassis," said Jerry Mittman, Ford's RV/OEM sales manager, during the first public showing of Ford's new

*continued on page 12*

## Dometic to Buy A&E Systems

The Dometic Corp., Elkhart, Ind., announced Aug. 10 that it had signed an agreement to purchase, for an undisclosed amount, A&E Systems Inc., Santa Ana, Calif.

Neither Dometic nor A&E spokesmen were available for comment on the announcement or on any future organizational, management or product plans arising from the A&E acquisition.

In a prepared statement released at Dometic's Elkhart headquarters, Gerald R. Wannamaker, Dometic president, stated, "Together with our customer acceptance, manufacturing capabilities, quality work force and now A&E Systems, we will continue our growth and sound financial returns."

Founded in 1969 in Elkhart, Dometic is a manufacturer of products and services for the RV, marine and lodging industries, as well as the residential and commercial gas air-conditioning markets. Product brands include Duo-Therm, Minibar, Origo and Servel.

Dometic maintains manufacturing facilities in Evansville and LaGrange, Ind., and currently employs 614 people.

A&E Systems is one of the largest U.S. manufacturers of aftermarket RV accessories. It produces awnings, manual-hydraulic and electric leveling jacks, storage pods, stabilizer systems, wind deflectors, security systems and satellite antennas, under a variety of model names. Δ—*Robert Longsdorf Jr.*

**7** Thor to Purchase ElDorado's Bus Division

**7** Bus-Style Units Dominate South Bend

**8** Macedon Seeks To Buy King's Highway Assets

**9** Travelcraft Stages '88 Comeback

**9** Vixen Sees Profit, Hires RV Veteran

**10** Starcraft Debuts Basement Foldout

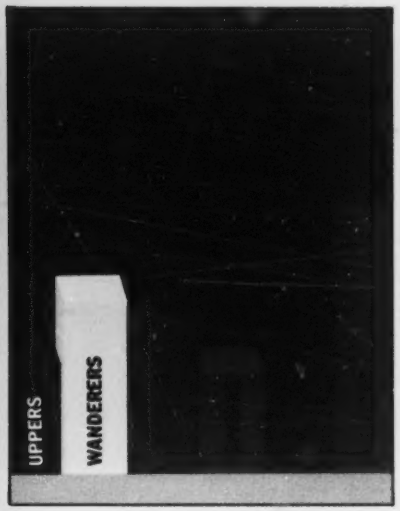
**11** Komfort Hosts Dealer Review Of '89 Line

**12** Japan Firm Unveils RV Generator

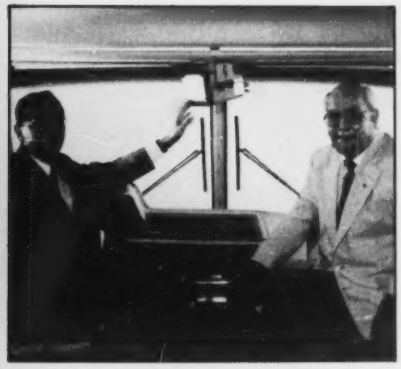
**12** Fire Hits Fleetwood Plant

# RV BUSINESS

VOLUME 39, NUMBER 11 SEPTEMBER 2, 1988 TWO DOLLARS


18



52

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## NEWS AND TRENDS


**Industry News** ____ 7
**RV People** ____ 14
**DAB Perspective** ____ 16


## FEATURES


**A New Way to Target Buyers** ____ 18
*Research in "psychographics" reveals new insights into RV-consumer psychology and offers tips on product preferences and marketing strategies.*

**Exterior Protection** ____ 36
*Exterior protection and maintenance products are a sometimes-controversial but potentially profitable service option.*

**PRVCA Show Section** ____ 57
*This guide to the Pennsylvania Recreational Vehicle and Camping Association's Expo '89 includes exhibitor listings and floorplans.*


## DEPARTMENTS


**Service** ____ 44
**Dealer Concepts** ____ 46
**Show Calendar** ____ 49
**In Brief** ____ 50
**Profitmakers** ____ 54
**Index to Advertisers** ____ 61
**Classified Advertising** ____ 61
**Commentary** ____ 62



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# JUNE FIGURES DITTO LAST YEAR'S

GAYLORD MAXWELL

On the retail front, RVB's Dealer Advisory Board (DAB) tells us that June was very similar to June of last year – good, but not fantastic. Dollar and unit figures are almost identical, with a 2% increase in dollar sales and a 1% decrease in units.

In new units, two categories (travel trailers and truck campers) were up from June of '87. Year-to-date, three categories were still on the plus side (motorhomes, travel trailers and fifth-wheels). Used sales were up in two categories (camping trailers and fifth-wheels) for the month. Both of those categories, with the addition of travel trailers, were also up year-to-date.

Although sales volumes for the DAB were up only slightly for the month, the year-to-date figure showed a substantial increase in the number of dollars taken in. With unit figures almost identical to last year, it is apparent that more expensive units were sold this year.

More than half of the DAB members were up in dollars for the month. Again, the larger dealerships have been getting an increasing share of the market.

Profits on unit sales generally weren't too bad, reported the DAB. Not many dealers marked the excellent column, but neither did many of them mark the poor column. By far, almost all DAB dealers rated most categories as good. Service and accessory sales, however, were generally rated good or excellent. Bottom lines were good.

New-unit inventory levels got very mixed ratings – about evenly divided from high to low. However, used units were in short supply for many of the dealers.

### Motorhomes

Motorhome sales dipped in June, not much, but it was a definite change from reports for the previous months this year. Used sales were off a bit. Even the big guys had their troubles; the eight large dealerships on our DAB were divided four-to-four between ups and downs in new-unit sales. On the other hand, most small dealers were down. Class A's were, by far, the big sellers.

### Travel Trailers

It appears that this category has been pulled up by the bootstraps a bit. The new-unit sales jump in June was substantial. Used sales were off a bit, perhaps a result of low inventories. Two-thirds of the dealers on the DAB increased their new-unit sales over last June. June's increase, coupled with that of May, suggested that travel trailers are picking up in popularity – perhaps due to the fact that good tow vehicles, other than trucks, are available again.

Year-to-date, figures were finally in the plus column for both new and used.

Profits were generally rated as good.

### Truck Campers

In terms of percentages, the new-unit sales increase was fantastic in June. The unit increase wasn't that dramatic. However, seven dealers recorded camper sales this year compared with only two last June. Sales numbers weren't large, but it appeared that more dealers are becoming interested in this RV type. Used sales were sluggish.

Year-to-date, numbers were still on the minus side, but this month makes them better.

Profits were rated good to excellent.

### Folding Camping Trailers

Few of the dealers who sell fold-downs on the DAB were having a good year. June's performance was typical for the year-to-date. More than half of our board reported new-unit sales down for the month. Year-to-date, figures showed that the major dealers of this type were down considerably. No one seemed to have any explanations for the drop. Used units, however, were doing quite well – up substantially for the month – a sign of new buyers who are looking for an inexpensive way to camp.

Profits were generally rated good; however, there were four poor ratings – the most for any category.

### Fifth-wheels

New-unit sales were off by one for the month. However, the tally for the year-to-date showed the best percentage increase of any category. Most successful dealers of this type are in primarily agricultural economies. Used sales were even stronger than new in terms of percentages.

Profits were rated somewhat varied, ranging from poor to good. Δ

| | NEW UNITS | | | | | | USED UNITS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FOR MONTH | | | YEAR-TO-DATE | | | FOR MONTH | | | YEAR-TO-DATE | | |
| | JUNE 1988 | JUNE 1987 | % CHANGE | 1988 | 1987 | % CHANGE | JUNE 1988 | JUNE 1987 | % CHANGE | 1988 | 1987 | % CHANGE |
| MOTORHOMES | 188 | 194 | – 3 | 945 | 868 | + 9 | 152 | 164 | – 7 | 846 | 861 | – 2 |
| TRAVEL TRAILERS | 162 | 140 | +16 | 717 | 700 | + 2 | 122 | 138 | –12 | 645 | 608 | + 6 |
| TRUCK CAMPERS | 24 | 17 | +41 | 115 | 127 | – 9 | 7 | 10 | –30 | 56 | 65 | –14 |
| CAMPING TRAILERS | 138 | 156 | –12 | 658 | 770 | –15 | 55 | 36 | +53 | 236 | 216 | + 9 |
| FIFTH-WHEELS | 34 | 35 | – 3 | 194 | 163 | +19 | 23 | 22 | + 4 | 140 | 110 | +27 |

| | FOR MONTH | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|
| | JUNE 1988 | JUNE 1987 | % CHANGE | 1988 | 1987 | % CHANGE |
| SALES VOLUME | $16,980,910 | $15,598,848 | +2 | $81,955,817 | $69,731,209 | +18 |
| TOTAL UNIT SALES | 905 | 912 | –1 | 4,552 | 4,488 | + 1 |
| NEW-UNIT SALES | 546 | 542 | +1 | 2,629 | 2,628 | < + 1 |
| USED-UNIT SALES | 359 | 370 | –3 | 1,923 | 1,860 | + 3 |

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board (DAB), a group comprised of 24 dealers representing a cross section of the U.S. dealer body.

**Gaylord Maxwell,** chairman; **Dave Altman,** Baldwin Park, Calif.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dasso,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgesen,** Seattle, Wash.; **Newton Kindlund,** Orlando, Fla.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Mike Peay,** Albuquerque, N.M.; **Edward Peterson,** Lafayette, Ind.; **William Pifer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sissemore,** Amarillo, Texas; **Bill Thomas,** Bridge(chton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales pic:ure; it does not purport to indicate RV production or factory sales to dealers.